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NOVEMBER 28, 1966

FURTHER GAINS FORECAST FOR U.S. FARM EXPORTS

ICELAND: FARMING AT RIM OF THE ARCTIC CIRCLE

FOREIGN MARKET FOR FEEDGRAINS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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NOVEMBER 28, 1966

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Biggest event in Iceland's agricultural year is the annual sheep gathering—for which this sheep is reluctantly headed. Article and pictures on page 6.

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Further Gains Forecast for U.S. Agricultural Exports

Fiscal 1966-67 should see our foreign shipments almost a half billion dollars higher than last year, with commercial sales at a new record level.

By Raymond A. Ioanes
Administrator, Foreign Agricultural Service

All the signs point to expanded agricultural exports this year and in the period immediately ahead. Overall foreign demand for U.S. farm products—supported by economic growth in major commercial markets—stays strong. Positive foreign market development effort by government and industry continues to gain in efficiency.

We believe that farm product exports in this current 1966-67 fiscal year will reach a new high level of $7.1 billion—almost half a billion larger than last year's total, including record dollar sales of $5.4 billion.

That's not all. Exports of $8 billion by 1970 are within the realm of probability. And on down the road—by 1980 or sooner—we can look for a $10-billion year.

In recent years actual export volume has had a way of running ahead of our projections. Last year at this time we estimated that agricultural exports would increase by about $100 million. They increased by $584 million.

Where did we make the biggest gains?

We shipped Western Europe over $400 million more of our farm products than in 1964-65. Exports to Spain alone increased $71 million—largely because of expanded shipments of corn, soybeans, and soya products. Shipments of feedgrains to the European Economic Community rose by $160 million and soybeans by $61 million. Exports to Czechoslovakia rose from $3 million to $40 million, the latter total largely representing purchases of grain sorghums and corn.

Exports to Japan rose by $150 million. Here the gain was made up of wheat as well as feedgrains, oilseeds, and rice. Total shipments to Japan amounted to $925 million, making that island country our best customer for farm products by a wide margin.

Despite heavy shipments of U.S. farm products under government programs in the latter part of fiscal year 1966, total aid shipments declined by $78 million from a year earlier. Exports to Asia—including some big volumes to India and Pakistan—decreased by 5 percent over the full 12-month period.

Economic growth abroad

What overseas developments are likely to influence U.S. agricultural exports in the months ahead?

Foreign economic growth will continue to support strong demand in the countries that lead as cash buyers of our farm products. In 13 of those countries, gross national product—adjusted for changes in cost of living—increased from $323 billion in 1958 to $467 billion in 1965. That's an average growth rate of about 5½ percent a year.

The population of these countries has risen by 35 million since 1958. Their wage rates are up by 28 percent in Canada and the United Kingdom to around 80 percent in Japan, West Germany, and the Netherlands. More people working at higher wages means expanded purchasing power and upgrading of diets. This means that foreign consumers are using some of their extra money for more meat, poultry, eggs, and dairy products. Increased consumption of these livestock products is, in turn, supporting larger exports of U.S. feedgrains and soybeans.

Agriculture in Communist world

Developments in the Communist world affect us directly or indirectly. This year the Communist agricultural situation is mixed, with record production in the Soviet Union and decreased output in Communist China.

Russia's 1966 wheat crop alone is 75 million tons—far above the 1958 record of 62 million tons. This dramatic turnabout raises two questions: Will Russia continue to import wheat—or will it do an about-face and become a big wheat exporter as it was some years ago?

I personally look for Russia to go through with its wheat import deal with Canada, which calls for delivery of some 9 million tons over a 3-year period. Remember that grain stocks in the Soviet Union have been low as a result of poor crops in 1963 and 1965. And because reserves are still low, I would expect exports from the USSR—or from diversions of Canadian grain—to be small. Exports, if any, in the immediate future probably will consist of some shipments to Eastern Europe and to a few other countries where a little wheat can have a propaganda impact.

Red China's output of major food crops amounted to an estimated 175 million metric tons—3 million below the 1965 harvest, and almost 9 million below the 1955-58 level. As usual, the principal culprit was bad weather, mainly drought, but insufficient agricultural inputs also may have played a role.

Red China's imports of grain, mostly wheat, have averaged almost 6 million metric tons annually since 1961. Imports probably will approximate that level in 1966-67. Imports of grain already contracted for with Australia, Canada, and France amount to about 4.0 million tons, all for delivery in 1966-67. Argentina may be in the picture later. As in other recent years, wheat imports will replace some exports of China's higher priced rice—exports possibly exceeding the 700,000 to 800,000 metric tons shipped last year.

Other factors affecting exports

World political developments continue to affect international trade. One of these is the problem that continues to exist between Rhodesia and the United Kingdom. I'm sure that all Free World countries hope for an early solution to that problem. In the meantime, economic sanctions against Rhodesia exist, and they have trade implications

This forecast was prepared by Mr. Ioanes for delivery at USDA's 44th Annual Agricultural Outlook Conference, in Washington, D.C., Nov. 14. In Mr. Ioanes' absence the talk was given by Donald M. Rubel, Assistant Administrator for Commodity Programs.

for U.S. tobacco farmers. Rhodesia's inability to supply world tobacco markets with the usual volume continues to strengthen exports of U.S. leaf.

Access to markets is essential to continued expansion of our exports now and in the period ahead. Over the years we have been able to obtain access to many markets for our farm products, as the expansion in our dollar exports proves. But problems remain. A case in point is continued access to the big European Economic Community for many of our major commodities. The course of the Kennedy Round of trade negotiations will ultimately measure our success in selling to the Community. Much still remains to be done at Geneva—and the time is woefully short.

The expanding food needs of the less developed countries must be reckoned as a factor in the export picture. Eventually, we hope, these countries will produce more of their own supplies. They must. But even under ideal circumstances our food aid must be continued for an indefinite period if hunger and starvation are to be averted. Food aid exports in 1966-67 will be somewhere in the neighborhood of $1.7 billion.

Outlook by commodities

I want to turn now to the export outlook for individual farm products in 1966-67.

Feedgrains: Feedgrain exports last year exceeded our wildest dreams. We looked for exports of 21 million metric tons and we got 26.3 million. (That's 23.1 million short tons as compared with 29 million.) We expect shipments this year to be about the same as 1965-66.

Demand is strong, as I have emphasized. But our feedgrain prices are higher this year; Europe's own supplies are up; and we'll have more competition from other producing countries, notably Argentina.

Soybeans and products: Soybean exports in 1966-67 are estimated at about 275 million bushels—a tenth above last year's record shipments of 251 million.

Soybean meal shipments are expected to increase moderately from their present relatively low level as the record crush increases supplies. Demand for meal is strong, especially in Western Europe.

Soybean oil exports dropped off over 30 percent last year from the record 1,340 million pounds shipped in 1964-65. Figuring in this decline were reduced dollar sales to Spain—which bought more of our soybeans for crushing—and reduced P.L. 480 shipments to India, Pakistan, Morocco, Turkey, and Tunisia. Export prospects for oil in 1966-67, still uncertain, will depend on such factors as competition from foreign crushers, price levels, and P.L. 480 programing.

Wheat: Exports of wheat are forecast somewhere between 745 million and 770 million bushels, as compared with the record 867 million that went abroad in 1965-66. A major factor in the forecast for this year is the reduced availability of U.S. wheat. But the estimate for 1966-67 would still be above the level of 1964-65 and would be the third highest export of record. The final level of shipments will depend pretty much on the ultimate size of the oncoming 1967 crop.

Rice: Last year we shipped 30.4 million bags of milled rice, valued at $220 million. This year, with increased availability of U.S. rice in prospect, we look for even larger shipments. Commercial sales for dollars are increasing—a tribute not only to the high quality of U.S. rice but also to our foreign market development program. Rice will continue to play a big role in military and feeding operations in South Vietnam. Also, we will program some rice to other less developed countries.

Cotton: Things are looking up for cotton. U.S. exports in this current marketing season are expected to total about 5 million bales—a big improvement over the 2.9 million shipped last year. Lower world prices and a cyclical upturn in overseas cotton consumption in some countries are expected to stimulate foreign buying. At the same time, there has been a small production decrease in other Free World countries, which should strengthen our position.

Tobacco: Exports of unmanufactured tobacco for the year ending June 30, 1967, are expected to total 560 million pounds (export weight)—substantially above the 472 million pounds in 1965-66, when shipments were the second smallest in 13 years. As I mentioned earlier, Rhodesia's reduced ability to market tobacco has enhanced our prospects. Other favorable factors include improved quality of U.S. leaf, the export payment program, and increased production of cigarettes abroad.

Fruits: Prospects for fruit in 1966-67 are somewhat mixed, but the outlook is generally favorable. Moderate export increases are expected for oranges, grapefruit, and pears. Exports of canned fruit, especially of peaches and fruit cocktail, as well as citrus juices, are expected to increase. Shipments of raisins may approximate the heavy volume of last season. But shipments of fresh apples may be somewhat below the unusually large volume in 1965-66, when Western Europe's production was relatively small. Exports of dried fruit, other than raisins, probably will be down somewhat.

Vegetables: Prospects for expanded foreign trade in vegetables continue favorable. Exports to the Canadian market are expected to continue the uptrend of recent years. Possibilities of increasing vegetable shipments to Europe have been greatly enhanced by the successful development of shipping line container services and jet airline transport.

Livestock and meats: U.S. exports of variety meats—hearts, livers, tongues, et cetera—should increase in the year ahead because of expanded pork slaughter. Lard shipments could well increase, also because of expanded pork slaughter, but this product is meeting stronger and stronger competition from vegetable oils. Tallow exports should hold about equal to those of last year.

While I'm on the subject of meats, let me point out that meats imports are somewhat larger than a year earlier. An estimated gain of 186 million pounds in imports, largely of beef, over the 1965 level has not had any disturbing effect on beef prices. And expected imports will be about one-fifth less than what should be needed to trigger quotas under the Meat Import Bill.

Poultry: Exports of poultry meat have held up surprisingly well through 1966. Competition from European suppliers in traditional U.S. markets is keener with each succeeding year. However, prospects for a continued high level of trade in turkeys, poultry parts, and packaged items remain relatively good for 1967.

Dairy products: Reduced supplies and higher prices for U.S. dairy products have virtually eliminated the United States from the export market for most items. With ample supplies available from traditional sources at attractive prices, there is little prospect for U.S. participation in dairy product trade in the coming year.

Chartbook Shows a Booming Export Trade in U.S. Farm Products

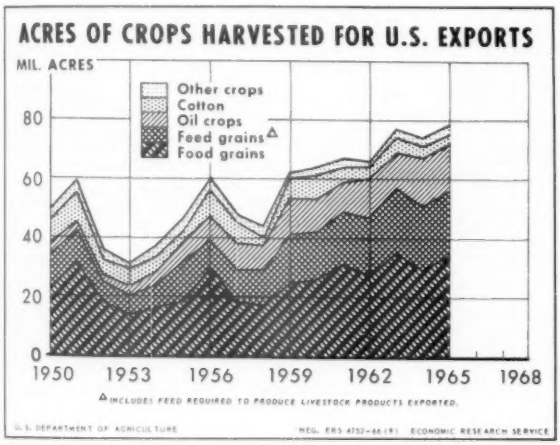
U.S. agricultural exports were never so good as in the fiscal year just ended—a point that is reinforced many times over in the *Handbook of Agricultural Charts 1966.**

This graphic account of trends in U.S. agriculture contains 157 charts—37 of them dealing with commodity exports. It shows that during fiscal 1966 our top three exports —wheat and wheat flour, feedgrains and products, and oilseeds and products—all hit new highs of over $1.2 billion each, together making up about 60 percent of our record $6.7-billion export. Larger shipments of rice, fruits and vegetables, and meat and animals products also contributed to the overall gain of 10 percent from fiscal 1965.

World exports, too, continue to rise. The chartbook shows that in calendar 1965, they hit a record $31.9 billion, up $600 million from 1964.

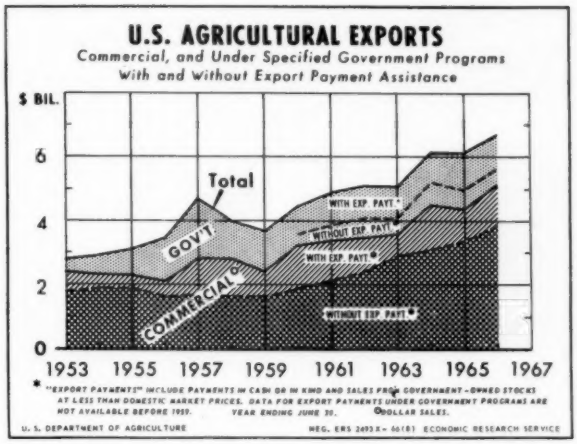
At the same time, however, production in many parts of the world has failed to pace population growth. One of the charts shows that average per capita production by developing nations was lower during 1965 than at any time since 1959. Another depicts the dramatic change in the developing nations' grain production and trade: Between 1954 and 1965, their trade changed from a net export of some 3.9 million metric tons to a net import of 16.5 million.

* Available from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402, at a price of 45 cents.

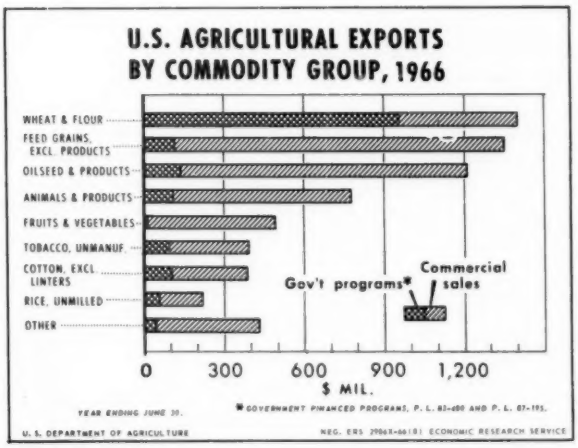


Crops harvested for export (above) represent a fourth of our total harvested area. However, many crops account for a much bigger share; for instance, two-thirds of our wheat, half the rice, and 40 percent of the soybeans usually move abroad.

Japan's lead among U.S. markets, as charted at right, continued to strengthen in fiscal 1966. Exports to that nation were up $150 million for a total of $900 million. Other big gains were in sales to Spain, the Netherlands, and West Germany.



Above, a nearly $700-million jump in commercial sales boosted U.S. farm exports to a peak of $6.7 billion in fiscal 1966. Exports under government programs fell almost $100 million.



Wheat and flour headed the list of fiscal 1966 commodity exports. However, the biggest gain from fiscal 1965—$400 million—was in feedgrains.

Like most of Iceland's dairy farms this one is highly mechanized.

Iceland: Farming at the Rim of the Arctic Circle

By LLOYD R. WILLIAMS
Trade Projects Division
Foreign Agricultural Service

On a holiday in Iceland, Mr. Williams, who has held U.S. agricultural attaché posts in different parts of the world, found time to take a look at Iceland's agriculture and to talk with some of the country's agricultural leaders. His impressions of farming in this far-north country follow:

A developed agriculture at the edge of the Arctic and unexpectedly high imports of U.S. agricultural products were among the surprises that greeted me on a vacation trip to Iceland this past September.

Icelandic farming is largely sheep and dairying, clustered in protective fiords and southern coastal areas tempered by the warm waters of the Gulf Stream. The short growing season of only about 4 months makes farming difficult, but the winters are mild, with temperatures in February, the coldest month, averaging only slightly below freezing.

The country's 5,500 farms extend over large areas, averaging about 40 acres of cultivated land and several thousand unproductive acres of mountain ridges and uplands for rough grazing. Grass (for hay and silage) and potatoes are the only important crops. Truck crops, such as tomatoes and cucumbers, are grown in greenhouses heated by the many natural hot springs dotting the country.

Buys foodstuffs from U.S.

Fishing is the main industry of Iceland, accounting for nearly 95 percent of the foreign exchange earnings which pay for the necessary imports of cereals, fruits, feedgrains, and other products. A large proportion of these comes from the United States. Last year Iceland's imports of U.S. food and agricultural products totaled $7.3 million, or about $38 for each of the 190,000 people in the country. (In Japan, purchases of U.S. food and agricultural items amount to about $10 per person.)

The major categories of Iceland's 1965 food and agricultural imports from the United States and the percentages these represent of the country's total imports are as follows: Cereals and cereal preparations, $3.2 million (64 percent); tobacco and tobacco manufactures, $1.4 million (85 percent); feedstuffs for animals, $1.1 million (80 percent); fruits and vegetables, $1.0 million (32 percent); oilseeds, vegetable and animal oils, $0.5 million (51 percent). Practically all of the feedgrains and some of the tobacco were imported under a Public Law 480, Title IV long-term credit agreement.

Sheep and dairying

The vast mountainous grazing lands of the country are said to be ideally suited for sheep farming. Up to 3,500 tons of lamb and mutton are exported annually, mostly to the United Kingdom. The meat is described by the local enthusiasts as having a mountain flavor, free of the tallowy taste so often found in lamb.

My visit happened to coincide with the annual sheep gathering. This is one of the big social events of Iceland, almost the equivalent of Christmas and New Year's. About a million lambs are herded down from the mountains, separated into pens according to the owners' identifying ear marks, and then loaded into trucks for shipment to nearby slaughterhouses. People from all over the country gather to participate with the farmers in the singing, dancing, and other festivities that accompany this event.

The dairy industry is highly developed, with mechanized equipment and modern creameries. (Every farm has a telephone and 80 percent have electricity.) The 42,000 cows and 17,000 young stock are an Icelandic breed, small in size but fairly productive. The national herd average is 7,248 pounds of milk per cow, and total annual production is 106,800 tons, more than a half ton per capita. As a result, Iceland is one of the world's leading consumers

of milk and dairy products. About half of the milk is made into butter, cheese, and skyr, a delightful form of yoghurt served with cream and sugar as a dessert in Iceland.

Crops hard to grow except under glass

The production of potatoes, a mainstay of every meal, is extremely hazardous in Iceland. The Iceland Government horticulturist took me on a visit to one of his leading potato growers. The farmer wasn't very happy. Because of wet spring weather, he hadn't been able to plant until June 24, a full month later than he should to get a normal crop. Now with frost coming on he was having to harvest only 82 days after planting. His resulting short crop of pebble-sized potatoes will mean a sharp drop in income and the probable necessity of his having to work out as a carpenter during the fall and winter months.

The only Icelandic farmers who do not have to worry about the weather are those who grow their crops under glass. The greenhouse plantings extend over many acres, and include bananas and grapes, as well as tomatoes, cucumbers, and roses and other ornamental plants. The heat is hot water piped in from the underground hot springs, the same source that is used to heat swimming pools and most of the homes in Reykjavik, the capital city of Iceland.

Farm and consumer prices are fixed by a six-man committee composed of three from the Farmers Union, one from the Seamen's Union, one from the Federation of Labor Unions, and one from the Federation of Craftsmans Guilds. I had an opportunity to visit with Sveinn Tryggvason, the chairman of the committee, just after the prices had been fixed for the coming year. The chairman was tired. It had been a long series of hectic bargaining sessions, assisted by a government arbitrator, the final session concluding at 6:30 a.m.

He explained that agriculture tries to fix prices at a level that will give farmers parity of income with other workers. The established prices are frequently higher than consumers can afford to pay, with the result that the government has to subsidize consumer prices for such basic foods as milk, butter, mutton, lamb, and potatoes.

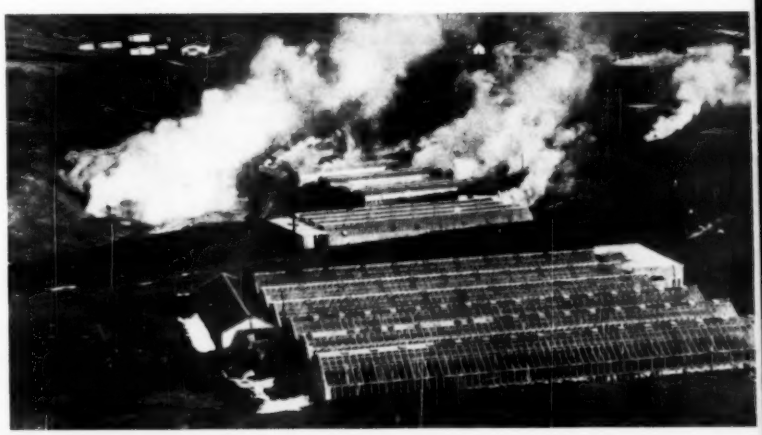
Goal to increase farm output

The government expenditures on food and agricultural programs in 1965 totaled $17.4 million, representing over 20 percent of the national budget and about 40 percent of the total value of agricultural production.

I asked Halldor Palsson, the Director of Agriculture, to explain how the program is justified in terms of national policy and the agricultural goals for Iceland. The underlying factors, he said, are the same as in many other countries. At the turn of the century 87 percent of the population lived on farms, whereas today, with agricultural production three times as great, only 13 percent make agriculture their main employment.

Agriculture, he pointed out, is trying to be self-sufficient in every commodity that is biologically and economically possible, but farm costs are rising, and the farmers must have help in achieving these goals. Iceland, he said, needs the agricultural commodities, and cannot afford to rely on fisheries alone.

Right, Iceland's hot springs supply heat for the greenhouses used to grow vegetables and flowers. Below and right, scenes at annual sheep gathering which is also a social event for young and old. Sheep and dairying are the country's leading farm industries, while fishing is the top-ranking money earner.



Adjustment Problems Continue To Handicap Italian Agriculture

By Robert C. Tetro
U.S. Agricultural Attaché, Rome

Editors' Note: *This article was prepared just previous to the disastrous floods that hit Italy early this month, causing great damage to cities, roads, irrigation works, and affecting some 300,000 acres of farmland. Though most of the damage occurred in the urban areas of Venice and Florence, agriculture in the Po Delta also suffered heavily. Thousands of animals and poultry are dead in this important livestock region; storage losses of wheat and corn are reported as significant though not irreparable; losses of growing vegetables—greens, cabbage, and cauliflower—are high; and seeding operations have been greatly curtailed.*

The agricultural problems presented in this article still remain, but the economic burden placed on Italy for reconstruction undoubtedly will delay their solution.

The European Common Market and its framework for a Common Agricultural Policy are posing difficult adjustment problems for Italian agriculture. Historically, Italy has been unable to meet its requirements for food and agricultural products. Now, a pressing need to compete with its Common Market neighbors, particularly in the livestock field, is forcing Italy to move even more rapidly than in recent years toward efficiency in producing and distributing its wide variety of agricultural products.

For some commodities, such as rice, fruits, and vegetables, new efforts are planned to exploit real or presumed advantages gained in negotiating the Common Agricultural Policy. For others, such as meat, milk, and grains, competition from EEC partners and a substantial trade deficit place Italy in a difficult position.

Problems along the way

From the farmers' point of view, recent economic development measures are not helping them modernize. Italian investment policy still favors the south, while livestock and feedgrains are predominantly in the north. Both the new Green Plan and the new 5-year plan are over a year late in their legislation schedule. Negotiated labor gains and prosperity in urban industry have sharply increased labor costs, and agrarian reform laws have reduced managerial flexibility. At the same time, the exodus from rural areas has reduced the political power of farmers.

Despite Italy's solid economic advance during 1957-62, underemployment still exists, continuing inefficiencies in the use of labor and in distribution. For example, Italy has proportionately fewer supermarkets than its Common Market partners as a result of a centuries-old artisan approach to retailing and an inefficient organization of most wholesale markets.

Laws dealing with assistance to farmers generally favor the numerous small farmers—many of whom may eventually be forced out of business by competition with the EEC partners—and the cooperative system is not yet fully developed. Dairy farmers are limited in marketing their products by milk "centrals" organized by communes under chambers of commerce that may or may not pay attention to neighboring producer milk problems. Butchers and meat processing plants, sometimes strategically but anachronistically located in the marketing process, are more influential than farmers in the price-making process.

Slow production comeback

Perhaps because of these many difficulties, Italian farmers have not come back from the recession of 1965 as fast as their industrial colleagues. Early estimates place 1966 gross agricultural production as 1.5 to 2 percent above 1965. In contrast, estimates for industrial production are over 10 percent above 1965.

Among the 1966 major crops, wheat was good but down about 8 percent from the excellent 9.8-million-ton crop of 1965; much of the decrease was in durum. Corn production in 1966 rose only slightly, to about 3.5 million tons, as it was again plagued by unfavorable weather. Rice, on the other hand, did well; at over 700,000 tons, it is Italy's best rice crop in 5 years. Sugar's pricing change brought significantly more beets but only 5 percent more sugar. Fruits and vegetables have been generally favored by the weather and as a group have done better than in 1965; largest gains are in apples, pears, and cherries, forecast up about 12, 20, and 15 percent, respectively. Production of olive oil is off nearly 9 percent to 380 metric tons, while that of animal fats is slightly higher.

The only major change in the important livestock industry was a 10-percent increase in pork output. A slight rise in total cattle numbers had little effect on the trade deficit. This increase came in spite of an extended dry spell in early summer, which reduced forage production temporarily and triggered enough distress selling to lower cattle prices; the rains did come and grass improved probably more than cattle prices, although to those working on improved feeding practices the relative strength of baby beef prices was very encouraging. Prices for beef and veal —down sharply at the first of the year—rose slightly as a result of late summer restrictions on imports, but the gain was not enough to spur a herd buildup among farmers pondering cost and efficiency problems.

Figures on poultry production are hard to evaluate. Field observations indicate continued modernization of all aspects, including turkey production, but apparently backdoor and barnyard flock disappearance has more than offset this industrialization process. As a result, chicken numbers and poultry meat production are down a little, while egg production is up.

Price changes during the past year were minimal, with sharp drops in wholesale prices for beef, veal, and eggs offset by higher prices for most other commodities.

U.S. sales to Italy

From the U.S. farmers' point of view, the changes in the Italian market were favorable, with an increase of sales from $227 million in 1964 to $292 million in 1965; the 1966 outlook appears encouraging. Increased sales of U.S. corn, soybeans, turkeys, and even wheat far more than offset dull markets for cotton and animal fats. Italy remains a good market for basic U.S. commodities, and certainly some of our success in the market is attributable to sound market development activities.

The FOREIGN MARKET for U.S. FEEDGRAINS

Big increases by foreign producers in the output of feedgrains—top dollar earners for the U.S.—may result in a smaller U.S. market in 1966-67.

World trade in feedgrains in 1966-67 is expected again to rise to a new record level, but because bumper feedgrain crops were harvested among many foreign countries in recent months, U.S. exports probably will not exceed the 1965-66 level of 25.9 million tons.

Feedgrains gained membership in the United States exclusive "billion dollar" club of farm exports just this year, when shipments through June 30 netted earnings of $1.4 billion—90 percent of it cash. Much of the success of feedgrain exports last year lay in intensive educational campaigns and market development programs in areas where the demand for animal feed is the greatest—Western Europe and Japan. Here the growing need for livestock products, finding only limited farm space for extensive grain farming, has resulted in substantial profits for American feedgrain producers.

Approximately 80 percent of total world commercial imports of feedgrains go to Japan and Western Europe. Japan, which is likely the most rapidly growing feedgrain market in the world, will probably import over 6 million tons of feedgrain in1966-67, most of it corn and grain sorghum. Ten years ago, Japan's feedgrain imports were slightly over 1 million tons. During 1965-66, Japan imported a total of 4.4 million tons from the United States alone.

Western Europe growing its own

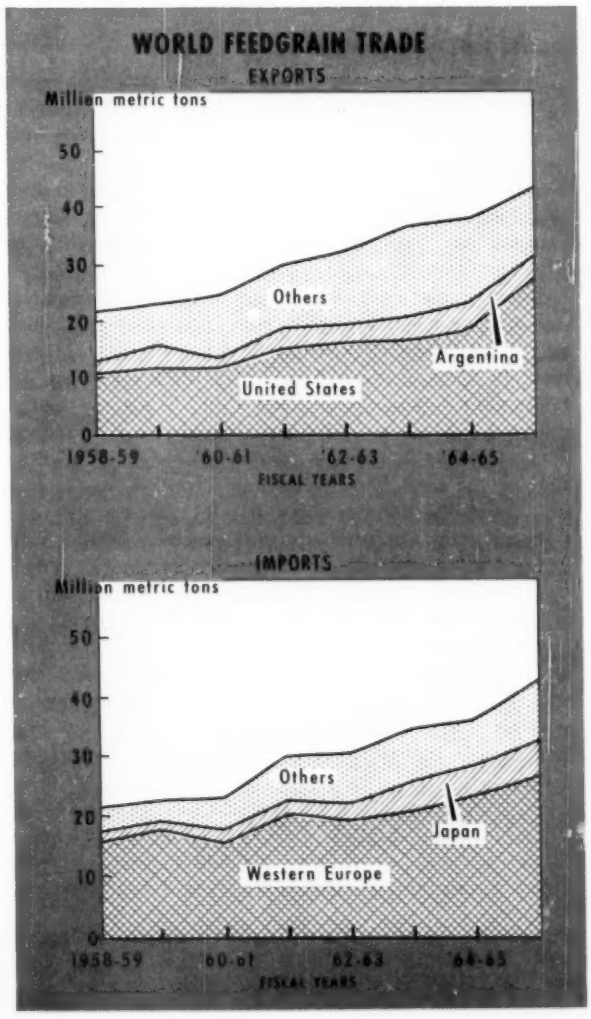
In Western Europe total imports will decline somewhat from 1965-66. Requirements continue to rise rapidly, but for 1966-67 this increase will be more than offset by greater local supplies of barley and other feedstuffs. Total feedgrain production is estimated to have reached 53.8 million tons, about 3.7 million more than in 1965. Of this total, a record 32.4 million tons are barley, 9 percent more than last year. Large areas were planted to barley in the spring of 1966, which had not been seeded to wheat and barley during the previous fall because of wet weather and early frost. Favorable weather for spring planting through harvest helped make the 1966 crop a good one.

Oat production in Western Europe, at 11.6 million tons, was only slightly more than in 1965, and 1966-67 corn production—forecast at 9.8 million tons—will be up about a million. Large corn crops in France and Italy accounted for the increase.

In the EEC, feedgrain imports during the July 1966-June 1967 period will probably equal or slightly exceed last year's level of 16.4 million tons. Production this past season rose by an estimated 1.8 million tons, but much of this occurred in France and will probably flow into export. In addition, the EEC wheat harvest was below normal in size and of relatively good quality, causing an expected decline in the use of local wheat for animal feed.

EEC barley production in 1966 totaled 12.9 million tons, up 1 million; the oat crop was 6.0 million tons, up 200,000; and corn output has been set at an estimated 7.4 million, up 700,000. The total feedgrain crop reached 26.3 million tons, 1.5 million greater than that of 1965, and exports are expected to be about 500,000.

Feedgrain imports by the United Kingdom, another good customer, may decrease sharply below last year's level of 4.2 million tons unless stocks or exports are substantially increased. Heavy supplies of local barley have cut back imports. This year the United Kingdom became the second largest barley producer in the world after the USSR, with a crop of 9.0 million tons, 10 percent above the 1965 output on 13 percent more acreage. This represents a gain of 53 percent over the 1960-64 average of 5.9 million tons. This year only 1.1 million tons of oats were produced in the United Kingdom, 100,000 tons (33 percent) below the 1960-64 average.



*correction 9.8 as shown in the Dec. 5, 1966 issue

A67.7/2:4/49

Feedgrain imports by Sweden and Switzerland are expected to be higher, while larger crops in Austria, Ireland, Greece, Spain, and Portugal will more than offset normal growth in feed requirements there.

Eastern Europe's larger feedgrain production will probably result in smaller import requirements this year, most of them met by the Soviet Union. Soviet-oriented countries, which imported substantial quantities of feedgrains from the West last year, are expected to produce about 32 million tons of their own feedgrains this year, 3 million more than in 1965. Major gains are in corn, up by about 1.0 million tons in Yugoslavia and 800,000 in Bulgaria.

Output up in exporting countries

Stiffest U.S. competition in the world market in 1966-67 will be from Argentina, Australia, Canada, France, and the Soviet Union, where good feedgrain crops indicate that exportable supplies will be above 1965-66 levels.

Argentina's large corn and sorghum supplies could push its exports to 6.0 million metric tons, well above the 1964-65 record level of 5.1 million. Last spring the country harvested 7 million tons of corn and 2.1 million of grain sorghum; in December, about 800,000 tons each of barley and oats will be added to these totals. Argentine port facilities, which can handle only about a million metric tons a month, could become a limiting factor upon the rate of feedgrain shipments during early 1967.

Australia and Canada to ship more

In both Australia and Canada, barley and oats export prospects are brighter than they were last year. Australia will begin harvest in December and expects to reap over a million tons each of barley and oats. Shipments in 1966-67 will likely surpass last year's level of 500,000 tons for Australia and 1 million tons for Canada. Larger Canadian supplies could also cause a moderate reduction in feedgrain imports.

France is playing a crucial part in the world feedgrain picture since it is an EEC exporter producing more than half of the feedgrains grown in the deficit Common Market area. In 1966 France's barley crop set a record at 7.8 million tons, up 400,000 from 1965. Corn, up half a million tons to about 3.8 million, should also set a record. Oats output, at 2.5 million tons, was down only slightly, bringing the total French feedgrain crop to 14.1 million tons, about 900,000 tons more than last year's crop.

Bigger grain shipments are also expected from several of the smaller countries which export feedgrains. Yugoslavia may ship a record 600,000 to 800,000 tons from its large corn crop this year. Shipments of feedgrain from Thailand—which have hovered near 900,000 metric tons for the past few years—could reach a million tons this year. Thailand may also export up to 150,000 tons of grain sorghum, which it has only recently begun to produce for export; most of Thailand's feedgrain exports go to Japan.

Feedgrain exports from the United Kingdom could be up to 1 million tons in 1966. Last year U.K. barley exports reached 679,000 metric tons, 200,000 higher than ever before; production is expected to exceed last year's by 800,000 tons.

Syria and South Africa, traditional shippers of barley and corn, respectively, will not export this year because of drought-stricken crops. Brazil will probably reduce its corn exports as well this year, because of a 1.5-million-ton decline in production. Mexico has a slightly larger corn crop this year, and exports may reach last year's level.

The Soviet Union's production of feedgrains is now estimated at 37 million tons, 30 percent higher than last year's output but about the same as in 1964. All three crops are indicated higher, barley up 4 million tons, oats 1.4 million, and corn, 3.2 million. Soviet shipments in recent years have averaged 1.5 million metric tons, most of which have gone to Eastern Europe. Following last year's unusually large gain, American exporters in 1966-67 may experience slight decreases in shipments from the 1965-66 level, which was almost 20 million tons greater than in 1956-57 and pushed the U.S. share of the world market to over 60 percent, compared to 33 percent 10 years ago. Corn and sorghum account for most of this increase, with shipments up 13.9 million tons and 5.5 million tons, respectively. Exports of these two products are expected to increase only a little this year and be more than offset by decreases in barley and oats exports.

Australia Sells More Wheat to China

Australia's Wheat Board has recently signed an agreement with Mainland China for the sale of 1.52 million metric tons (56 million bu.) of wheat. Australians welcomed the sale since it will help them move the record exportable wheat supplies from this year's wheat crop, estimated at 375 million bushels. Terms of the new contract are similar to those of earlier ones—10 percent down, 20 percent in 6 months, 20 percent in 9 months, and the balance within a year.

This agreement also contains the usual option that will permit the Chinese to purchase 10 percent more or less than the agreed upon amount. In announcing this sale, the Wheat Board indicated that it expects the Chinese—as in the past—to take the additional 10 percent. If so, this agreement will earn the Australian Wheat Board about $100 million.

The Chinese, with this purchase, have now contracted about 4 million tons for delivery in the current July-June year, with Canada providing 1.6 million tons, Argentina about 300,000 tons under an old contract, and the Australians providing an additional 612,000 tons from a previous contract entered into in June. Mainland China's purchases thus far this year indicate that its imports are likely at least to equal the 1965-66 level. During that season some 6.3 million tons were purchased.

AUSTRALIAN WHEAT BOARD SALES TO MAINLAND CHINA

Date of contract	Quantity [1]	Shipping period
1964:	*Million bushels*	
April	21.0	June-Nov. 1964.
October	56.0	Nov. 1964-June 1965.
1965:		
April	45.0	June-Dec. 1965.
November	18.7	Jan.-June 1966.
1966:		
June	22.5	July-Dec. 1966.
November	56.0	Dec. 1965-June 1967.

[1] Sales made with 10 percent option.
Australian Wheat Board.

One-Tenth of the Farms in the United Kingdom Produce Half of the Total Agricultural Output

Results of an inquiry into the size of farms in the United Kingdom—undertaken to obtain information needed before British agriculture can be improved and reorganized—have just been released.

According to results of the inquiry, there are about 400,000 significant agricultural units in the United Kingdom, which cover about 30 million acres of crops and grass. Classified according to their annual labor requirements, these units fall in four groups: Large holdings, which use 1,200 standard man-days of labor or more; medium-size, which use 600-1,199 man-days; small, which use 275-599 man-days; and very small, which use less than 275 man-days.

Large holdings occupy about 40 percent of the total acreage of crops and grass, but produce about 50 percent of the total output of all agriculture. They number about 40,000, their average size is 300 acres, and they employ over half the regular full-time male workers.

More than half the total acreage of wheat, barley, potatoes, and sugarbeets come from these large holdings, and they carry almost half of all laying fowls. The contributions of these large units to animal production is smaller: however, over one-third of all dairy cows, beef-breeding cows, breeding ewes, and breeding pigs are on farms of this type.

Medium-size holdings number about 65,000 and produce about one-fourth of the agricultural output. Their average size is 130 acres, and they employ about one-fourth of the full-time male workers. These farms most commonly emphasize dairy and livestock production, and they carry roughly a third of all grazing livestock. Their pig, poultry, and crop production is somewhat smaller.

Small holdings occupy about one-fifth of the total acreage of crops and grass and produce about one-fifth of the agricultural output. The average size of the 95,000 small holdings is 62 acres. They employ about 15 percent of the full-time male workers.

This group makes a significant contribution to dairy and livestock production. Small farms carry one-fourth of all dairy and beef cows, nearly 30 percent of the breeding pigs, and one-fifth each of the breeding ewes and laying fowls. They grow only 10 to 15 percent of the cereals, potatoes, and sugarbeets.

Very small holdings occupy only about 10 percent of the total acreage of crops and grass and produce about 8 percent of the total agricultural output. They number about 200,000, average about 16 acres in size, and employ only 5 percent of the regular full-time male labor force. Their main contribution is their production of breeding sheep, pigs, poultry, and beef cows. They have about 10 to 20 percent of these animals.

In addition, Britain has about 50,000 agricultural holdings not considered to be significant units.

Honduras' Crop Output

With the exception of bananas, sugar, and rice, production in Honduras of all other major agricultural commodities in 1965-66 was down from the previous year. Banana and rice production each exceeded a year earlier by 20 percent while the production of sugar was up 23 percent.

Reduction in the production of other crops ranged from 1 percent for corn to 25 percent for grain sorghum. Tobacco production was down 17 percent, cotton 3 percent, coffee 1 percent, and Red Kidney beans 4 percent. Cattle slaughter in 1965 was up 4 percent from 1964, while hog slaughter declined 2 percent. The production of fluid milk, butter, and cheese in 1965 probably exceeded a year earlier by around 5 percent.

Current estimates indicate that the production of all major agricultural commodities in 1966-67 will either remain unchanged or exceed the previous year. The production of rice, cotton, and tobacco is not expected to change significantly, but increases in the other crops are forecast to range from 5 percent for beans to 34 percent for grain sorghum. Cattle slaughter in 1966 is forecast to be up 2.5 percent, and hog slaughter 1 percent.

In 1965, Honduras' favorable balance of trade in agricultural commodities totaled $100.3 million, an improvement of $26.5 million from 1964. The relative position of the United States as a supplier declined 1 percent in 1965.

Exports of the major foreign exchange earners—bananas, coffee, beef, and corn—in 1967 will probably show gains over 1966. Cotton shipments in 1967 are expected to remain near the 1966 level. Exports of Havana-type cigar tobacco will probably decline as domestic utilization increases. Shipments of live cattle are forecast to continue their trend downward, bringing about increased exports of beef.

Chile's Crops Off Slightly

Production of the principal Chilean agricultural products for 1966 is currently estimated at 4.6 million metric tons—a decrease of 1.2 percent from the previous year's level.

The estimate for all grains is around 1.8 million metric tons, 4.5 percent lower than in 1965. Wheat, at 1.17 million tons, is down more than 100,000 tons; and rice, at 82,200 tons, is 10.3 percent lower than in 1965.

This means that Chile's 1966 imports of wheat will probably amount to 460,700 tons and those of rice to over 20,000 tons. And even though Chile's output of corn increased, some 50,000 tons of imported corn will be needed to meet needs of the country's expanding poultry industry.

However, not all of Chile's crops dropped off. Onions, which are rapidly becoming an export item of considerable importance, showed a gain of about 19,000 tons over the 1965 crop. Among the pulses, beans rose—though peas, lentils, and garbanzos dropped.

Chile's 1966 output of sugarbeets amounted to 783,418 tons, which produces 110,300 tons of refined sugar, a 15-percent increase over 1965. A further increase is expected for the 1966-67 crop year.

The oilseed crop, totaling 129,000 metric tons, increased more than 13 percent. Fruit production went up 2 percent, and fruit exports are expected to show an increase, too. Tobacco output also increased.

With regard to livestock and animal products, the picture is mixed. Poultry meat set a record with 35,000 tons. Lamb and mutton showed a small increase, and beef and veal a slight decrease. Dairy products were somewhat lower, but preliminary estimates place fish and shellfish at 800,000 tons.

Nine-Month Report on U.S. Trade in Livestock and Meat Products

Red meat imports into the United States were 946 million pounds for the first 9 months of 1966, or 31 percent than those for the same period a year earlier. The forces that spurred these increased imports—relatively more favorable prices in the United States than those prevailing in Western Europe—also led to decreased exports. Exports of all meat products, including variety meats, were down 9 percent from a year earlier.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	September		Jan.-Sept.	
	1965	1966	1965	1966
Red meats:				
Beef and veal:				
Fresh and frozen:	*1,000*	*1,000*	*1,000*	*1,000*
Bone-in beef:	*pounds*	*pounds*	*pounds*	*pounds*
Frozen	536	245	3,063	4,096
Fresh and chilled	2,983	989	13,856	12,654
Boneless beef	53,269	83,613	388,193	534,723
Cuts (prepared)	302	460	1,565	3,519
Veal	1,428	2,502	12,199	14,725
Canned beef and beef sausage	11,234	9,273	67,520	64,384
Prepared and preserved	1,129	3,538	16,603	22,240
Total beef and veal	70,881	100,620	502,999	656,341
Pork:				
Fresh and frozen	3,240	3,056	34,245	31,745
Canned:				
Hams and shoulders	16,098	14,800	127,223	148,809
Other	3,008	3,669	20,290	36,268
Cured:				
Hams and shoulders	115	148	1,181	1,148
Other	418	136	3,995	2,928
Sausage	199	228	1,286	1,751
Total pork	23,078	22,037	188,220	222,649
Mutton and goat	3,991	4,122	21,454	50,377
Lamb	849	630	8,641	12,720
Other sausage	578	475	3,490	4,280
Total red meat	99,377	127,884	724,804	946,367
Variety meats	126	52	1,249	2,576
Wool (clean basis):				
Dutiable	15,553	9,424	122,973	133,248
Duty-free	10,336	9,318	82,646	94,039
Total wool	25,889	18,742	205,619	227,287
	1,000	*1,000*	*1,000*	*1,000*
Hides and skins:	*pieces*	*pieces*	*pieces*	*pieces*
Cattle	31	10	188	171
Calf	29	11	347	185
Kip	65	29	501	321
Buffalo	60	55	428	331
Sheep and lamb	2,430	2,880	25,718	24,729
Goat and kid	1,225	681	11,086	8,596
Horse	23	6	286	205
Pig	309	176	2,279	1,531
	Number	*Number*	*Number*	*Number*
Live cattle[1]	75,053	57,518	561,758	664,668

[1] Includes cattle for breeding.
U.S. Department of Commerce, Bureau of Census.

In January-September 1966, beef and veal imports totaled 656 million pounds, up 30 percent over 1965; imports of fresh and frozen boneless beef were up 38 percent. The increase in beef imports reflects the strong demand for processing beef in the United States. Imports of fresh, frozen, and chilled beef, veal, mutton, and goat covered by the Meat Import Law P.L. 88-482 for January-September 1966 totaled 617 million pounds. This is an increase of 41 percent over the same 9 months of 1965.

(On September 29 the Secretary of Agriculture announced that imports of meats covered by the Meat Import Law for all of calendar year 1966 are estimated at approximately 800 million pounds. This is well below the 979-million-pound level which, under the Law, would trigger meat import quotas. It also is well below the 1,048-million-pound level of 1963, the last year prior to enactment of the meat import quota provisions.)

Pork imports during January-September 1966 were 223 million pounds, up 18 percent over the first 9 months of 1965. Some leveling off in pork imports is expected this fall as domestic supplies increase. Wool imports, at 227 million pounds, were up 11 percent from a year earlier.

Higher feeder cattle prices in the United States have attracted larger imports of live cattle in 1966. Cattle imports—mainly feeder cattle from Canada and Mexico—totaled 664,668 head, compared with 561,758 head for the first 9 months of 1965. However, imports in September of this year were down 17,535 head from September 1965, indicating a tightening of supplies in the exporting countries.

U.S. EXPORTS OF LIVESTOCK PRODUCTS
[Product weight basis]

Commodity	September		Jan.-Sept.	
	1965	1966	1965	1966
	1,000	*1,000*	*1,000*	*1,000*
	pounds	*pounds*	*pounds*	*pounds*
Animal fats:				
Lard	19,131	8,141	204,323	109,307
Tallow and greases:				
Inedible	150,894	135,483	1,615,022	1,450,906
Edible	3,443	2,083	16,542	16,113
Meats:				
Beef and veal	3,133	2,241	31,417	21,674
Pork	3,547	3,854	33,522	32,057
Lamb and mutton	49	160	866	1,256
Sausages:				
Except canned	200	196	1,522	1,551
Canned	159	84	1,204	950
Other canned meats	513	621	5,838	5,805
Meat specialties:				
Frozen	261	126	1,161	1,490
Canned	166	106	1,368	1,294
Total red meats	8,028	7,388	76,898	66,077
Variety meats	19,506	19,237	163,141	151,591
Sausage casings:				
Hog	416	654	4,751	5,049
Other natural	791	469	4,154	4,256
Mohair	1,160	1,143	6,523	7,658
	1,000	*1,000*	*1,000*	*1,000*
Hides and skins:	*pieces*	*pieces*	*pieces*	*pieces*
Cattle	841	1,176	9,657	10,291
Calf	144	216	1,370	1,664
Kip	47	43	364	419
Sheep and lamb	200	142	1,986	1,838
Horse	1	8	26	51
Goat and kid	24	70	228	336
	Number	*Number*	*Number*	*Number*
Live cattle	3,545	2,198	44,940	20,980

Bureau of the Census.

Lard and tallow exports in the first 9 months of 1966 were down 47 percent and 10 percent, respectively, from

a year earlier. U.S. lard production has dropped sharply because of the reduced hog slaughter. Domestic lard prices have been higher and thus exports have been down.

Cattle, calf, and kip skin exports in the first 9 months of 1966 were up over a year earlier. To date, 12.4 million pieces have been exported, compared with 11.4 million pieces for the same period in 1965, an increase of 9 percent.

Live cattle exports—mainly breeding cattle—were down 23,960 head in the first 9 months of 1966.

World Rice Crop Forecast Is Close to Record

The 1966-67 world rice crop (August-July), excluding Communist Asia, is forecast at nearly the 1964-65 record level. Record acreages are in prospect in all continents except Europe, and owing to generally favorable weather and improved production techniques, yields per acre are higher in many countries.

World production of rough rice is forecast at 171 million metric tons, up 8 percent from the short 1965-66 crop and close to the record 172 million tons produced in 1964-65. Average production during the 5 years ended 1964-65 was 160 million tons.

WORLD PRODUCTION OF ROUGH RICE [1]

Continent	Average 1960-65	1964-65	1965-66 [2]	1966-67 [2]
	Million metric tons	*Million metric tons*	*Million metric tons*	*Million metric tons*
No. America	3.90	4.30	4.60	4.90
So. America	7.80	9.10	9.00	9.00
West Europe	1.40	1.40	1.20	1.50
East Europe	.15	.15	.15	.17
USSR	.31	.47	.57	.60
Africa	5.30	5.70	5.50	5.80
Asia	141.10	151.10	138.10	149.00
Oceania	.16	.17	.20	.19
Total	160.10	172.40	159.30	171.20

[1] Excluding Mainland China, North Korea, and North Vietnam. [2] Preliminary.

Prospective world rice acreage is placed at a record 232 million acres compared with 227 million in 1965-66 and the previous record of 230 million in 1964-65. Land in rice is 10 million acres larger than the average of 1960-61/1964-65. Major increases are in Asia and Africa.

Record rice acreage is expected to be harvested in Asia outside Communist areas. The prospective output—representing 87 percent of the world rice crop, excluding Communist Asia—is sharply above last year's small crop. The reduction was mainly from drought in India. Good crops are reported in Pakistan, Japan, Thailand, the Philippines, Taiwan, Ceylon, and other countries.

Production in Western Europe is the biggest in 5 years. Harvests are larger in all countries except Greece, where acreage was reduced. In North America, acreage expansion and continued gains in yields per acre are bringing in a 7-percent increase in the crop. Acreage gains are expected to continue in South America.

A detailed table and analysis will be in the November issue of *World Agricultural Production and Trade: Statistical Report.*

Hurricane Inez Cuts Tampico Cotton Crop

The 1966-67 cotton crop in the Tampico area of Mexico was severely damaged by Hurricane Inez. The crop is not expected to exceed 225,000 bales, which is less than half the size of the record 480,000-bale outturn in 1965-66. While the hurricane was responsible for a significant amount of the decrease, another contributing factor was a 25-percent reduction in planted area—from 525,000 acres in 1965-66 to 395,000 acres this year. Prolonged wet weather at planting time, together with grower dissatisfaction with cotton prices and some credit restrictions, caused some shift to other crops, particularly sorghums and corn.

In view of the reduced outturn in Tampico, the 1966-67 cotton crop in all of Mexico is expected to be no more than 2.2 million bales, 15 percent below the 2,625,000-bale crop in 1965-66.

Italy Increases Canned Peach Production

The 1966 Italian canned peach pack has been estimated at 1,568,000 cases—up 343,000 from the previous year. While the major portion of Italy's production is of the freestone variety, the use of clingstones is beginning to increase. However, on a fresh basis, clingstone production accounts for only 7 percent of the total. The predominant clingstone varieties produced for canning are Puteolana, Terzarola, and Percocche, but reportedly these can also be used as fresh fruit.

Exports from this larger 1966 pack are also expected to rise, totaling some 123,000 cases, compared with 97,000 in 1965. The United Kingdom and Germany are Italy's biggest foreign markets.

ITALIAN CANNED PEACH SUPPLY AND DISTRIBUTION

Item	1965 [1]	1966 [2]
	1,000 cases [3]	*1,000 cases* [3]
SUPPLY		
Beginning stocks (Aug. 1)	([4])	([4])
Production	1,225	1,568
Imports	16	20
Total supply	1,241	1,588
DISTRIBUTION		
Exports	97	123
Domestic disappearance	1,144	1,465
Ending stocks (July 31)	([4])	([4])
Total distribution	1,241	1,588

[1] Preliminary. [2] Estimate. [3] 24 No. 2½ cans. [4] Figure not available.

Japanese Canned Fruit Pack Up

Japan's 1966 canned deciduous fruit pack has been estimated at 4,971,000 cases, compared to 4,828,000 during the previous year. Reportedly, increased supplies of fruit for processing and an expanding demand for canned fruit have stimulated the increased production. Specifically, increases were noted for peaches, pears, mixed fruit, and apricots, while apples and cherries both decreased.

Peach production, which is predominantly of the white variety, may total 3,253,000 cases—up 195,000 from 1965. If present indications materialize, peaches would comprise approximately 65 percent of the total 1966 pack. The increased output is attributed to expanded productive acreage in the Nagano and Yamanashi areas and to favorable growing conditions.

Exports of the 1966 pack may increase slightly from those of the previous year, to a total of 213,000 cases. Japan's largest foreign markets for the white peach are several European countries (the United Kingdom, the Netherlands, West Germany) and the United States;

yellow peaches are shipped to the Middle East and Africa. Export prices (f.o.b.) of canned white peaches during the first 6 months of 1966 were generally higher than in the same period of the previous year.

JAPAN'S CANNED DECIDUOUS FRUIT PRODUCTION

Type	1964	1965	1966[1]
	1,000 cases[2]	*1,000 cases*[2]	*1,000 cases*[2]
Peaches:			
White	2,113	2,389	2,560
Yellow	707	669	693
Total	2,820	3,058	3,253
Pears:			
Bartlett	199	235	235
Japanese type	22	91	96
Total	121	326	331
Apples	733	788	725
Cherries	178	345	320
Apricots	43	42	43
Mixed fruit	297	269	299
Total	4,192	4,828	4,971

[1] Estimated. [2] 24 size 2½ cans.

JAPAN'S CANNED PEACH SUPPLY AND DISTRIBUTION

Item	1964	1965	1966[1]
	1,000 cases[2]	*1,000 cases*[2]	*1,000 cases*[2]
SUPPLY			
Beginning stocks (Aug. 1)	746	443	373
Production	2,748	3,057	3,253
Imports	26	32	27
Total supply	3,520	3,532	3,653
DISTRIBUTION			
Exports	224	192	213
Domestic disappearance	2,853	2,967	3,013
Ending stocks (July 31)	443	373	427
Total distribution	3,520	3,532	3,653

[1] Estimated. [2] 24 size 2½ cans.

Northbound Suez Canal Shipments

Shipments of oil-bearing materials north through the Suez Canal during the year ending September 30, 1966, totaled 1.51 million metric tons, about 6 percent above those in 1964-65. The bulk of the increase reflected larger movements of copra, although shipments of castorbeans, sesame and palm kernels were also larger. The net increase was, however, mitigated by reduced shipments of soybeans, peanuts, and cottonseed. Shipments of soybeans totaled 4.7 million bushels in 1965-66 against 7.4 million in 1964-65.

NORTHBOUND SHIPMENTS OF OIL-BEARING MATERIALS THROUGH THE SUEZ CANAL

Item	September		October-September	
	1965	1966	1964-65	1965-66
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Soybeans[1]	4,987	18,156	200,532	127,564
Copra	92,002	70,008	748,839	897,967
Peanuts	5,053	16,637	178,130	157,250
Cottonseed	3,085	3,278	112,558	81,652
Flaxseed[2]	—	635	21,025	8,807
Castorbeans	2,420	9,888	27,400	68,484
Palm kernels	2,865	2,702	30,617	35,386
Sesame	1,260	3,358	30,529	48,295
Others	4,885	8,529	84,854	87,640
Total	116,557	133,191	1,434,484	1,513,045

[1] One metric ton of soybean equals 36.7 bu. [2] One metric ton of flaxseed equals 39.4 bu.
Suez Canal Authority, Cairo, Egypt.

Aggregate northbound movements of vegetable oils in October-September 1965-66 amounted to 471,361 tons, against 358,327 in 1964-65. Larger shipments of palm, coconut, and cottonseed oils accounted for most of the increase. Shipments of soybeans, castor, and tung oils although relatively small, were down sharply from those in 1964-65.

Cumulative shipments of vegetable cakes and meals at 1.52 million tons were 45,589 tons above those of a year ago. Larger tonnages of copra and cottonseed cakes and meals more than offset a decline in shipments of peanut cake and meal.

NORTHBOUND SHIPMENTS OF SOYBEANS THROUGH THE SUEZ CANAL

Month and quarter	Year beginning October 1				
	1961	1962	1963	1964	1965
	1,000 bushels	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*
July	181	1,070	1,854	752	534
August	1	331	1,732	626	387
September	146	184	519	183	667
October-December	919	12	19	1,604	110
January-March	4,082	1,328	1,484	2,826	1,963
April-June	239	573	706	1,376	1,026
July-September	327	1,584	4,106	1,562	1,588
October-September	5,567	3,498	6,315	7,368	4,687

Totals computed from unrounded numbers.
Suez Canal Authority, Cairo, Egypt.

Canadian Oilseed Production Revised

The Dominion Bureau of Statistics of Canada released on November 4 revised estimates for 1966 crops of flaxseed, rapeseed, soybeans, and sunflowerseed and preliminary estimates for mustardseed.

CANADIAN OILSEED ACREAGE, YIELD, AND PRODUCTION

Year	Flaxseed	Rapeseed	Soybeans	Sunflowerseed	Mustardseed
	1,000 acres	*1,000 acres*	*1,000 acres*	*1,000 acres*	*1,000 acres*
Acreage:					
1965	2,320	1,435	265	68	157
1966	2,070	1,388	268	40	166
Yield per acre:	*Bushels*	*Bushels*	*Bushels*	*Pounds*	*Pounds*
1965	12.6	15.7	30.3	430	811
1966	11.4	18.4	32.3	737	871
Production:	*Mil. bushels*	*Mil. bushels*	*Mil. bushels*	*Mil. pounds*	*Mil. pounds*
1965	29.3	22.6	8.0	29.2	127.4
1966	23.6	25.5	8.7	29.6	144.6

Dominion Bureau of Statistics, Ottawa.

Kenya Sisal Production Down in Early 1966

Sisal production in Kenya totaled 14,928.1 long tons in January-March 1966 compared with 15,176.4 in the comparable quarter of 1965. Production included 13,398.2 tons of line fiber, 745.8 tons of tow, and 784.1 tons of flume tow and other. Production of 5,628.8 tons in Central and Eastern Provinces was slightly larger than in 1965, but the gain was more than offset by declines in Coast and Rift Valley Provinces, which reported a combined total of 8,788.4 tons. Kenya furnishes about 10 percent of the world supply of sisal.

Shipments declared for exports were 26,099 tons in January-June 1966 compared with 28,788 in the comparable semester of 1965. The greatest decline was in shipments to India, with 234 tons as against 1,153 in 1965. The largest increase was to the Netherlands with 2,981 tons, compared with 2,116 tons. Other important buyers—

the United Kingdom, West Germany, Belgium, Canada, Japan, and France—took quantities similar to those of the previous year. The United States took barely over 200 tons, less than half its 1965 total.

Chile Consumes More Honey

Indicated domestic disappearance of honey in Chile during 1965 was 4,155 metric tons (9,160,113 lb.), up by 2.1 million pounds from 1964. Production in 1965 was estimated by the trade at 12,345,760 pounds, but the Chilean Ministry of Agriculture estimated a lower figure.

Production during 1966 is expected to be slightly higher, at about 12.6 million pounds. There is no breakdown of honey production by types, but the trade estimates that about 60 percent of the 1965 total production was golden honey.

Chilean exports of honey declined in 1965 to 1,445 metric tons from the 2,605 metric tons of 1964. Over 80 percent of the 1965 shipments were almost equally divided between Denmark and West Germany.

Canadian Maple Syrup Producers Organize

Canadian maple syrup producers in the Province of Ontario met October 6, 1966, to form the Ontario Maple Syrup Association. The organization will attempt to modernize production methods, since there has been difficulty in obtaining farm labor. It will also take steps to establish a system of grading standards and an efficient marketing organization.

Ontario's maple sugar industry has been sliding downward for several years; currently only about 50 percent of the sugar maples in the Province are being tapped.

U. K. Cigarette Exports

Cigarette exports from the United Kingdom continue to rise. For the first 8 months of 1966, exports of cigarettes, at 19.9 million pounds, were at their highest level since 1959. Gains are being made in shipments to both Commonwealth and non-Commonwealth areas.

Total shipments to non-Commonwealth countries, at 12.5 million pounds, were 8.7 percent larger than the 11.5 million shipped out in January-August 1965. Increased purchases were recorded for West Germany, Ireland, Norway, Togo, the Canary Islands, and Kuwait.

Exports to Commonwealth areas rose from 7.1 million pounds in January-August 1965 to 7.4 million this year. Gains in exports to Aden, Singapore, and Malaysia were primarily responsible for the increase.

France's Canned Milk Exports Increase

France's condensed milk exports in the first 6 months of 1966, at 64 million pounds, were up 17 percent over the corresponding months of 1965. Algeria continued to be the major market, taking 17 million pounds in both years. Sales to Greece were up 18 percent to 14 million pounds. Shipments to Thailand, at 3 million pounds, were double those of the earlier year, while those to Burma, at 4 million, were down almost 15 percent. Most of the remaining sales were made to African countries.

Exports of evaporated milk were up 1 percent to 22 million pounds. In both years, Western Germany accounted for 7 million pounds and Algeria for 6 million.

Nonfat dry milk exports increased sharply from 55 million pounds to 183 million, of which approximately 67 percent went to other EEC countries. Sales to Spain rose from 2 million to 5 million; those to Switzerland, from less than 1 million to more than 2 million. Mexico, a new market for France's nonfat dry milk, purchased 19 million pounds in the first 6 months of 1966.

Exports of dry whole milk, at 15 million pounds, were more than twice those of a year ago. About half of total sales were made to Western Germany in both years.

Italy's Trade in Cheese

Italy imported 76 million pounds of cheese in the first half of 1966, 11 million more than in the same months of 1965. The principal suppliers were West Germany 18 million, Switzerland 14 million, and France 13 million. Most of the remainder came from Austria, the Netherlands, Finland, and Denmark.

Exports of cheese in this period were down 8 percent to 21 million pounds. Sales to the United States, at 591,000 pounds, were little more than half those of a year ago. Shipments to most of the other major markets were the same in both years. These included France 5 million, Switzerland 3 million, and West Germany 1 million.

Imports of butter in the first 6 months of 1966 declined 18 percent to 30 million pounds. Supplies came mostly from other EEC countries; France shipped more than half of total imports. Only 515,000 pounds came from the United States, compared with 3 million a year ago.

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Highlights of the Agriculture and Trade of Turkey

Resources:—Turkey covers 296,000 square miles, an area nearly as large as that of the States of Texas and Louisiana combined. The Turkish population has doubled within the last 30 years, exceeding 32 million by 1966. The labor force is estimated at over 15 million, three-quarters of it engaged in agricultural activities. In 1965 Gross National Product was estimated at $7.3 billion (in 1962 prices), $233 per person.

Agriculture:—In the past 20 years, and chiefly between 1946 and 1956, cultivated acreage doubled—largely as a result of mechanization. Production, however, has not gained comparably.

The USDA index estimates Turkish agricultural production for 1966 at 131 (1957-59 = 100), a new record. A record wheat crop in 1966 contributed importantly to this. Crop production brings in close to 65 percent of income from agriculture, with wheat, barley, fruits, nuts, sugar beets, tobacco, and cotton making up over 70 percent of this total. Nearly 85 percent of the area sown each year is in grains. The Turkish livestock industry is substantial, but its productivity is relatively low.

Food Situation:—Turkey is basically self-sufficient in foods, importing only a small share of the food consumed and regularly exporting such foods as fruits, nuts, sugar, and pulses. Some grain is exported in years of good production. Caloric intake, estimated to average about 2,600 per capita daily, is relatively high for that region of the world. On a country-wide average, grains (mainly wheat) and pulses make up over 70 percent of the caloric value of the food supply. Considerable amounts of fresh fruits and vegetables are consumed, however, and more fats than in other West Asian countries except Israel. Use of animal products and per capita consumption of sugar are below those of other countries in the area.

Foreign Trade:—In recent years Turkish exports have fallen below imports largely because of the heavy investment in capital goods required for economic development programs. Cut backs in exports also reflect extensive food imports in 1961-63, when there was a domestic grain shortage. For the 1960-64 period the trade deficit averaged $180 million annually; in 1965, $118 million. For the first 8 months of 1966, the deficit was running at the rate of $320 million for the year. Imports of agricultural products averaged about $86 million a year between 1960 and 1964, but declined to $51 million in 1965. Principal farm commodities imported are grains, flour, fats and oils, and tea.

In 1960-64 Turkish agricultural exports averaged over $260 million annually; they were $397 million in 1965, 70 percent and 85 percent, respectively, of total exports in the years quoted. Most important of the usual farm exports are leaf tobacco, cotton, nuts (mainly filberts), and raisins. Principal markets for Turkish farm goods in 1965 were: Common Market (EEC) countries, which took 32.8 percent; members of the European Free Trade Association (EFTA), 18.5 percent; and the United States, 17.6 percent. Marketings in Eastern Europe are on the increase; the nations joined in the Council for Economic and Mutual Assistance (CEMA) took 9 percent of Turkey's agricultural exports in 1964 and 15 percent in 1965.

Agricultural Trade With the United States:—The United States bought Turkish agricultural products valued at $70.1 million in 1965; leaf tobacco alone accounted for $57 million. Other U.S. purchases included filberts, olive oil, opium, wool, and hair. Since 1954, the United States has supplied the greater part of Turkish agricultural imports, mainly under Title I, P.L. 480; cash dollar sales have been relatively low. U.S. agricultural exports to Turkey in 1965 were $30 million, about two-thirds of Turkey's farm imports. U.S. exports were down 25 percent from 1964; a substantial increase in P.L. 480 wheat in 1965 did not offset declines from 1964 levels in vegetable oils and tallow.

Factors Affecting Agricultural Trade:—The Government of Turkey plays a dominant role in buying and allocating food and equipment, and in general imports must be sold under competitive conditions in terms of price and quality. But import duties are low for items in which the country is in short supply and may be waived by the government, as in the case of grains imported under P.L. 480. Imports of tobacco are not permitted. Domestic production of other commodities, such as some oils and dairy products, is protected by import duties ranging from 20 percent to 75 percent ad valorem. Commercial imports are restricted by licenses and foreign exchange allocations.

Turkey has an Association Agreement with the European Economic Community under which the EEC will grant import preferences on a quota of Turkey's tobacco, raisins, dried fruits, and nuts.

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